



STATE OF COLORADO

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TO: Members of the Legislative Audit Committee

FROM: Joanne Hill, State Auditor

DATE: December 3, 2004

RE: 2004 Executive Summary on Performance Audits of Tobacco Settlement Programs

The purpose of this memo is to report on evaluations of tobacco settlement programs conducted by the Office of the State Auditor (OSA) during 2004. Section 2-3-113, C.R.S., requires the Office of the State Auditor to conduct or cause to be conducted program reviews and performance evaluations of each state program receiving funding from the tobacco settlement agreement. These reviews are to assess whether the tobacco settlement program meets its stated goals efficiently and effectively. Pursuant to this statute, the OSA is also to submit an annual executive summary of the program reviews to the Legislative Audit Committee, the Governor, the Attorney General, the Joint Budget Committee, the House and the Senate Health, Environment, Welfare, and Institutions Committees, and various state agencies.

During 2004 the OSA conducted evaluations of two tobacco settlement programs: the Dental Loan Repayment Program and the Tobacco Education, Prevention, and Cessation Grant Program. In total the OSA has conducted reviews of seven of the eight tobacco settlement programs. We did not review the Tobacco-Related and Tobacco-Focused Research Grant Program because the program did not receive any tobacco settlement funding in Fiscal Years 2004 or 2005. The list below summarizes the programs and the dates of our initial evaluations. Reports on the subsequent status of implementation are available upon request.

- Children's Basic Health Plan Trust (July 2000)
- Read to Achieve (July 2001):
- Nurse Home Visitor Program (August 2002)
- Veterans Trust Fund (June 2003)
- Comprehensive Primary and Preventative Care Grant Program (June 2003)
- Dental Loan Repayment Program (April 2004)
- Tobacco Education, Prevention, and Cessation Grant Program (December 2004)

All reports are available on the OSA Web site at www.state.co.us/auditor.

Attached are executive summaries of the two audits completed since our last update in December 2003. We will request status reports on both programs from the Department of Public Health and Environment, which oversees both programs, during 2005.

With respect to audits of tobacco settlement programs during 2005, the OSA plans to conduct an

audit of the Children's Basic Health Plan Trust, Read to Achieve, and the Nurse Home Visitor Program.

EXECUTIVE SUMMARY

The Dental Loan Repayment Program

The Department of Public Health and Environment administers the Dental Loan Repayment Program (the Program), which offers dentists and dental hygienists funds to repay their student loans in exchange for a commitment to treat a minimum number of underserved patients. These dental professionals are to provide care to Medicaid and the Children's Basic Health Plan (CHP+) recipients, as well as other underserved populations, for at least two years. During its first year of funding in Fiscal Year 2002, the Program awarded \$154,800 to a total of eight qualifying recipients. In Fiscal Year 2003 the Program awarded about \$164,000 to a total of 12 recipients. Our recommendations to the Department included enforcing contract provisions and withholding payments for recipients who fail to comply with their service-level commitment; verifying that program applicants have current and active licenses and are eligible to provide care to Medicaid, the Children's Basic Health Plan, or other underserved clients; improving prioritization of applicants; reevaluating the loan repayment award structure; and continuing to expand awareness of the Program.

Tobacco Education, Prevention, and Cessation Grant Program

The Department of Public Health and Environment administers the Tobacco Education, Prevention, and Cessation Grant Program (the Program), which provides funding for community-based and statewide tobacco education programs. Program grantees are to provide education programs meant to (1) reduce initiation of tobacco use by youth, (2) promote cessation of tobacco use, and (3) reduce exposure to second-hand smoke. Between Fiscal Year 2001 and 2004, the Program awarded grants totaling about \$31.7 million. Specifically, in Fiscal Year 2004 the Program awarded about \$3.7 million to a total of 75 grant recipients. Our recommendations to the Department included improving oversight and coordination of the services provided by grantees; revisiting grant allocations to ensure programs provide services to persons with mental illness; ensuring that periodic, comprehensive evaluations of the Program are performed; and continuing to explore systems that local agencies may use to report their program outcomes.

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